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The fourth section entitled Internal Financial Management is the most illuminating in the book. While by no means all accountants would agree with those paragraphs expounding one or another of the various moot problems, still the discussions are all thoroughly sound, albeit savoring more of business expediency than the strict logic of accountancy. The two closing chapters, entitled Budgets and Financial Standards, are particularly suggestive. The subjects treated in the latter have wide economic significance, but the generalizations are somewhat superficial and backed by insufficient empirical evidence. The fifth part, entitled Financial Abuses and Involvements, is distinctly patchwork. It shows the marks of hasty preparation and is the least satisfactory section in the book.

Numerous inaccuracies annoy the careful reader. For illustration, Lough speaks of the "reorganization of the Erie Railroad in 1895" (p. 142) and one is surprised to hear that there was issued at the time "Erie Railroad first consolidated mortgage 7's 1920." The proof reading was not always careful; for illustration, 1889 should read 1899 (p. 171). These are small matters, but scientific accuracy of detail is very important in financial writings of lasting value. As a whole, the book shows a wide familiarity with current financial discussion and, above all, great sanity and good judgment. Teachers of corporation finance will find in it a very satisfactory text. From the pedagogical point of view it strikes the happy medium between unjustified generalities and a hopeless maze of detail.

ARTHUR S. DEWING.

The Exchanges and Speculation. By ALBERT W. ATWOOD. Modern Business, Vol. 20. (New York: Alexander Hamilton Institute. 1917. Pp. vi, 334.)

Investment. By EDWARD D. JONES. *Ibid.*, Vol. 23. (Pp. xvi, 352.)

Corporation Finance. By WILLIAM H. WALKER with the collaboration of FRED W. FIELD. *Ibid.*, Vol. 11. (Pp. xv, 346.)

These little handbooks are parts of a series of explanatory texts, prepared for busy business men who want to enlarge their outlook on the problems of our modern industrial world. That they may meet the ends in view each book should cover its topic broadly and simply; although completeness could not be attained, nevertheless the authors should show their familiarity with the

subject-matter quite as much by what is "cut out" as what is included. Under no circumstances should the text be padded by long illustrations and digressions neither pertinent to the subject nor of wide significance. The generalization should be clear cut, without being narrowly superficial. The illustrations should be accurate, and so far as possible "types." Like all series of books prepared under what might be called the contract system, these books meet the conditions with different degrees of merit. Of the three under review the one on *Exchanges and Speculation* is far and away the best, while the one on *Corporation Finance* has little to recommend it from among the books already written on the subject.

The text of *Exchanges and Speculation* gives a brief and accurate account of the operation of the stock and produce exchanges, and of speculation in general and under particular conditions. The definitions and descriptions are brief and clear, yet accurate. The author has evidently thought much about his subject and shows a long and wide familiarity with Wall Street. In his chapters on Manipulation, Corners, and The Benefits and Evils of Speculation he shows an admirable poise—neither an uncritical apologist of Wall Street practices nor a destructive and narrow critic. There are, of course, elaborate treatises on the subject, and comprehensive studies like that of Pratt, but this little book certainly fills a unique place for teachers of economics who are looking for a short, unbiassed, and thoroughly reliable account of speculation and organized markets.

The text on *Investments* is not particularly fortunate. The subject is undoubtedly a difficult one. It occupies a kind of twilight zone between a science of finance and that indescribable "art" of the shrewd business man, sometimes called "horse sense." A work on investment ought to summarize and, so far as possible, organize and rationalize the intuitive judgments of shrewd investors. Parts of the book attempt to do this—as sections in the chapter on municipal bonds. Other parts are mere descriptive paragraphs with a few general "don'ts" too abstractly stated to be of value. The book shows much padding. The chapter on railroad securities gives a half page of traffic statistical names without a single word as to how to apply them to investment problems. No attempt is made to separate and give tests of investment value of underlying and junior liens. Inordinate space is given to a lot of irrelevant matter covering real estate; nothing

is said regarding water and telephone company securities. The book shows clear evidence of haste and lack of perspective; the author has "read up" his subject almost hurriedly, but the reader is in doubt whether or not he has either a wide familiarity or mastery of it. One is surprised that "The first convertible bond was issued by the Erie Railroad in 1843" (p. 136). There are some inexcusable blunders—as 3.07 per cent net yield for the American Gas & Electric preferred stock (p. 209). Such statements as "From the investor's point of view it may be said that short term notes are seldom issued except by railroad corporations of excellent standing" (p. 140) are glaringly superficial.

The text of *Corporation Finance* adds one more to the already large number of texts and handbooks on the subject. It deals especially with the finance of small corporations and in that sense serves a very useful purpose. It shows clear signs of hasty preparation, and many of the chapters are not of much permanent value or even enlightening to the general reader; especially is this true of chapter 19 on Reorganization.

ARTHUR S. DEWING.

How to Find Factory Costs. By C. BERTRAND THOMPSON. (Chicago: A. W. Shaw Company. 1917. Pp. 191. \$3.00.)

Factory Accounting. By FRANK E. WEBNER. (Chicago: La-Salle Extension University. 1917. Pp. xii, 345. \$3.30.)

Cost Finding. By DEXTER S. KIMBALL. Modern Business, Vol. 10. (New York: Alexander Hamilton Institute. 1917. Pp. xvi, 338.)

How to Find Factory Costs, the publishers announce, is a development of a variety of material published as separate articles in their well known monthlies, *System* and *Factory*. "These articles," the preface continues, "have usually shown applications to special lines of business, and, on account of this fact, and the limitations of space, they have not individually been able to handle the subject in comprehensive detail. The services of a competent expert have therefore been enlisted to outline briefly and clearly the elements of a good cost system in such a way that it can be understood and applied by the average manager and the average accountant of the average small plant . . ."

The style of exposition and the typographical arrangement are both calculated to make the book easy reading even to a novice in such matters, and the material presented in the 120-odd pages